

City Council, City and County of Honolulu  
Wednesday, April 4, 2012 1:00 p.m.

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TO: Chair, Stanley Chang,  
Vice Chair, Ann Kobayashi  
Councilmember Tom Berg  
Councilmember Tulsi Gabbard  
Councilmember Nestor Garcia

FROM: Susan Houghton, Director of Public Affairs and Government Relations

**RE: Testimony in Opposition to Bill 10, Relating to the use of bags provided to customers.**

Chair Chang, Vice Chair Kobayashi and Councilmembers:

Thank you for the opportunity to submit testimony in opposition to Bill 10, Relating to the use of bags provided to customers. Our company operates 19 stores in Hawai'i – 13 of which are on the island of O'ahu.

While we support the intent of this measure, we believe a fee on all single-use bags that is implemented to help shape consumer behavior is the preferred mode of action. The bill currently being heard by the State Legislature at this time is the favored vehicle because it provides the opportunity and incentive for consumers to reduce their use of both paper and plastic bags. Both paper and plastic bags have significant effects on the environment. Paper bags require more energy to produce and are more expensive to manufacture than plastic. Thus, a statewide policy, which seeks to curb use of all single-use bags with a fee is the most effective means to change public behavior and lessen the negative impacts on the environment and community businesses.

Implementing a fee on retailers does not ensure that the measure will shape consumer behavior. Instead, such a fee will operate much like the general excise tax, which stores can choose to pass on to the customer or pay themselves.

Since the plastic bag bans took effect on the neighbor islands last year, our stores have seen a significant cost escalation of over \$30,000 annually due to increased consumer use of paper bags. Because the paper bags are free, consumers essentially have no reason to not take them. Conversely, when cities and counties have placed a small fee on paper bags, a strong disincentive emerges. Such has been the case in the city of San Jose, California – where plastic bags were completely banned beginning January 2012 and retailers now charge 10 cents per paper bag. Consumers have adapted their behavior and our paper bag usage is down considerably (only one in four customers is purchasing a bag).

Thank you for the opportunity to share our views on this important legislation. Should you have additional questions, please do not hesitate to contact me at (925) 467-2212 or George Glukfeld, our Hawaii district manager at (808) 524-4554.

Sincerely,



Susan M. Houghton, Director of Public Affairs and Government Relations